

USAID

OFFICE OF INSPECTOR GENERAL

Audit of USAID's Staff Training and Development Activities

Audit Report Number 9-000-02-005-P

July 11, 2002



Washington, D.C.



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

July 11, 2002

MEMORANDUM

FOR: M/HR/OD, Rose Marie Depp

FROM: IG/A/PA Director, Dianne L. Rawl /s/

SUBJECT: Audit of USAID's Staff Training and Development
Activities (Report No. 9-000-02-005-P)

This memorandum is our final report on the subject audit. In finalizing this report, we considered your comments on our draft report and have included this response as Appendix II.

In your response to our draft report, you concurred with each of the three procedural recommendations. Therefore, we consider that a management decision has been reached on each of the three recommendations. Please coordinate final action for each recommendation with M/MPI.

I appreciate the cooperation and courtesy extended to my staff during the audit.

Summary of Results

The importance of training and development programs to the success of an organization has been addressed in many recent Federal reports, studies, and publications. Staff development and training are of particular concern to many federal agencies such as USAID because of the demographics of its workforce with approximately 32 percent of its civil service employees and 60 percent of its foreign service employees already eligible or eligible for retirement within five years. (See page 3.)

Within USAID, staff training and development are the responsibility of the Management Bureau's Office of Human Resources/Learning Support Division (M/HR/LS). M/HR/LS-sponsored training programs are available throughout the year, both in Washington and overseas. Additional training is sponsored by individual overseas missions but information on these courses and their cost is not tracked by M/HR/LS. (See page 3.)

In general, USAID has established and implemented measures to train and develop its staff to meet its needs. A skills matrix for the foreign service has been developed that lists the six core skills and specifies the performance levels depending on grade levels. Core competencies for civil service employees are based on competencies established by the Office of Personnel Management (OPM). Intensifying reform-related training—including a leadership and programs operation program and a new competency-based technical program—has been identified as one of four Agency-wide priority areas to achieve this vision of evolving into a model international development agency. (See page 4.)

USAID does not have a system for accurately determining what training its employees have already received making it difficult to identify training gaps for individual employees or for USAID overall. Currently there is no database of training records for U.S. direct hire employees and there has never been a training database for personal service contractors (PSCs) or foreign service nationals (FSNs). Records of completed training in courses sponsored by overseas missions is also unavailable at M/HR/LS. We have recommended establishment of a training database to include training data for direct-hires, PSCs and FSNs, and also to include training sponsored by the overseas missions. (See pages 5 and 6.)

There are no formal procedures to collect information on training courses procured by overseas missions to provide a "clearinghouse" of information on these activities to preclude multiple missions individually buying identical or similar training courses instead of obtaining a savings by collectively buying the development of a course. We have recommended that M/HR/LS develop procedures to collect this information and disseminate it to the missions. (See pages 6 and 7.)

Background

The importance of training and development programs to the success of an organization has been addressed in many recent Federal reports, studies, and publications. Establishing appropriate practices for hiring, orienting, training, evaluating, counseling, and promoting are critical factors of any Federal agency's control environment.

Staff development and training are of particular concern to USAID because of the demographics of its workforce. USAID's Fiscal Year 2000 Performance Report notes that approximately 32 percent of USAID's civil service employees and almost 60 percent of its foreign service employees are eligible, or will be eligible, to retire within the next five years. In 1997, a report by the USAID-initiated Workforce Planning Task Force found that training in USAID was inadequately funded and that "The lack of staff development, in the view of all interviewed, is leading to a dysfunctional USAID." The Task Force cited several deficiencies in the area of staff development and concluded that these vulnerabilities seriously affected USAID's ability to deliver results.

Within USAID, staff training and development are the responsibility of the Management Bureau's Office of Human Resources/Learning Support Division, or M/HR/LS. The mission of the division is "to provide all employees of USAID—as an organization, a team, or individual—with the support needed to obtain the expertise (skills, knowledge, and attitudes) to perform their jobs and prepare for future job challenges." M/HR/LS-sponsored training programs are available throughout the year, both in Washington and overseas. Additional training is sponsored by individual overseas missions but information on these courses and their cost is not tracked by M/HR/LS. During fiscal years 1999 and 2000, M/HR/LS reports having a training budget of \$4,478,500 and \$5,808,500, respectively. These amounts represent one percent of the total USAID operating expenditures for each year and include only training funding spent by M/HR/LS.

Audit Objective

The Office of Inspector General's Performance Audits Division in Washington, D.C. performed this audit as part of the OIG's Annual Audit Plan. It was designed to answer the following audit objective:

Did USAID establish and implement measures to train and develop its staff to meet the needs of USAID?

Audit Findings

Did USAID establish and implement measures to train and develop its staff to meet the needs of USAID?

In general, USAID has established and implemented measures to train and develop its staff to meet its needs. The USAID Learning Support Division (M/HR/LS) has established a diverse curriculum for USAID employee in-house training as contained in its course catalog with course descriptions and a monthly schedule of classes. However, M/HR/LS needs to identify and implement a database for recording the training each USAID employee has already completed to allow an accurate assessment of USAID training gaps in the future.

USAID's Workforce Planning Task Force, created in 1997, included a review of USAID's overall training needs and priorities. As a result of the Task Force's findings and further discussions, areas where organizational development training is currently deemed to be most needed include: (1) executive and senior leadership, (2) acquisition and assistance, (3) supervision, (4) managing for results, and (5) new entry training orientation. USAID's training program focuses on these priority areas with approximately 60 percent of the training budget while much of the remaining training budget is fixed and used for required items such as language and computer training.

The Office of Human Resources has developed a skills matrix for the foreign service that lists the six core skills (quality of work, leadership, resource management, staff development, professionalism, and teamwork/interpersonal skills) and specifies the performance level required in each of the sub-skills depending on the employees' grade level. Core competencies for civil service employees have also been identified based on competencies established by the Office of Personnel Management (OPM).

USAID has established a vision "to evolve into a model international development agency with the operational flexibility, technical skills, and institutional strength to meet twenty-first century global challenges." Intensifying reform-related training is one of four Agency-wide priority areas that has been identified to achieve this vision. This training includes a leadership and program operations program and a new competency-based technical program.

Overseas USAID missions, as well as Washington-based bureaus, supplement USAID's centrally-funded training budget by expending an unspecified amount of resources in program and operating funds to meet their training needs. USAID's accounting and budgeting systems do not adequately allow for identification of these amounts making it impossible to

determine how much USAID is actually spending on the training function. Accordingly, we were unable to determine whether USAID's training expenditures are comparable with other similar Federal agencies.

In summary, we believe USAID is generally making satisfactory progress in its efforts to train and develop its staff to meet its needs. However, as discussed below, USAID does not have a system for accurately determining what training its employees have already received making it difficult to identify training gaps for individual employees or for USAID overall.

No Database of Completed Training

In order for USAID to have an effective training program, it must have an effective system for determining what training its employees have already completed. Within USAID, however, there is no one complete and accurate set of training records for USAID employees. Training records kept by M/HR/LS for U.S. direct-hire employees are not maintained or organized to allow identification of the training shortfalls of individual employees or the training needs of USAID overall. In addition, training performed overseas in courses sponsored by individual overseas USAID missions are rarely included in M/HR/LS training records and no records are maintained in Washington concerning training provided to foreign service nationals (FSNs) or personal services contractors (PSCs).

Until October 2000, USAID used the Revised Automated Manpower and Personnel System (RAMPS) as its payroll system and personnel database, although M/HR/LS officials state that they discontinued inputting data into RAMPS even before that date in anticipation of its replacement. RAMPS included information on completed training courses, but only for U.S. direct-hire employees; FSNs and PSCs were not included. An official in the Office of Human Resources, Information Management Branch (M/HR/PPIM/IM) stated that the RAMPS database for U.S. direct-hires is not entirely accurate or complete even for the period in which it was operative. During calendar year 2000, USAID queried all direct-hire employees about the accuracy of their Employee Data Records in RAMPS and over 300 employees responded that their training records were not complete. Missing training entries included training related to fiscal years 1998 and 1999, as well as 2000.

USAID outsourced its automated personnel and payroll functions to the U.S. Department of Agriculture's National Finance Center (NFC) in October 2000. NFC's database systems included one for training records—TRAIN. M/HR/LS officials opted not to use TRAIN because, like RAMPS, it could not capture training information on non-U.S. direct-hire employees and M/HR/LS officials hoped to purchase and implement a new database system that could include training information on all USAID

employees. According to M/HR/LS officials, USAID's increased reliance on PSCs and FSNs to conduct USAID's activities along with increases in training provided to these individuals make it imperative to have a comprehensive training database system for all of USAID. However, no training database system has ever been purchased or implemented.

In the interim period since discontinuance of the use of RAMPS, and in the absence of any written procedures to provide guidelines on maintaining training records, M/HR/LS has employed a variety of means to maintain USAID's training records. Hard copy documentation for key training courses—such as Senior Leadership Training and courses required for promotions—are reportedly placed in individual hardcopy personnel files. Documentation for other training that is not considered key to promotion is kept in various places within M/HR/LS or by Pal Tech, an outside consulting firm used by USAID. This documentation is not filed in individual personnel files. M/HR/LS managers also report that their staff tried at different times to track post-RAMPS training information in two off-the-shelf software programs—Access and then in Excel—but found both programs to be difficult for maintaining a training database and discontinued their use.

Another problem concerning the maintenance of USAID's training records is the absence of information or documentation on training courses initiated or sponsored by individual overseas USAID missions. Cost information or class rosters for this training—funded through the missions' training budgets or through program funds—have generally not been sent to M/HR/LS, although it is possible the missions maintain a record of what courses they held, how much they cost, and who attended. Much of this training may be mission specific or not considered significant to an individual employee's career development but it does represent a USAID investment in the employees' skills development and at least some portion of it is essential or "trackable" training that should be included in the employees' training records. Also, without the overseas training cost information there is no means of determining how much USAID is really expending on training and developing its staff, making it difficult to gauge whether USAID's budget for training is adequate or seriously deficient and making it impossible to compare USAID's per capita training expenditures with other Federal agencies.

The absence of information on training courses initiated by overseas missions can also result in unnecessary training expenditures. At least one USAID study has cited the problem of multiple missions individually buying identical or similar training courses (courses not offered by M/HR/LS) instead of obtaining a savings to USAID by collectively buying the development of the training course. No formal procedures have been implemented to address this problem. An M/HR/LS official notes they

collect information on new courses being procured and developed overseas at various conferences of USAID executive officers or similar venues, as M/HR/LS seeks to keep its course offerings up-to-date with the training that overseas missions are seeking. But there are no formal procedures to solicit this information and no system for disseminating or offering this information to overseas missions that may be planning to purchase a training course, perhaps one already purchased by another mission.

M/HR/LS officials recognize the importance of accurate training records as an integral part of an effective USAID training program and a necessity in order to accurately assess the amount and type of training needed by USAID's workforce. However, M/HR/LS officials report that their current budget does not provide funding for a new database system or the resources to maintain the database and their efforts have focused on providing the training itself to USAID personnel. The longer the delay in implementing a training database—there is currently no target date or plan for implementing one—the more difficult it will be for USAID to reconstruct and reestablish an accurate record of completed training and for USAID to be able to effectively assess its training requirements. The problems of incorporating information on overseas training into the overall USAID database and disseminating information on which courses have been developed and used by overseas missions will continue to exist without formal procedures or a system to obtain this information from the missions. Again, M/HR/LS reports it does not have the resources to collect information on training courses sponsored by overseas missions.

Recommendation No. 1: We recommend that the Learning Support Division implement a database of training records for all USAID employees—U.S. direct hires, foreign service nationals, and personal services contractors—to include a reconciliation of prior training database records and the various manual records to develop an accurate list of completed employee training for entry into the new database.

Recommendation No. 2: We recommend that the Learning Support Division develop procedures for collecting information on completed employee training at Mission-sponsored training courses conducted overseas and entering this information into the new training database system.

Recommendation No. 3: We recommend that the Learning Support Division develop procedures for collecting and summarizing information on Mission-sponsored training courses—including identifying the applicable USAID missions, the types of training purchased, the cost of the courses, and the vendors used—for dissemination to other missions considering similar training purchases.

**Management
Comments and
Our Evaluation**

In response to our draft report, USAID management concurred with each of the three audit recommendations included in the report. Specifically, in response to Recommendation No. 1, USAID management agreed to repeat its request for funding to implement the training database in this year's fiscal year 2003/fiscal year 2004 Bureau Budget Submission and in subsequent annual submissions if necessary. It is estimated that implementation will take nine to fifteen months following funds allocation.

In response to Recommendation Nos. 2 and 3, USAID management agreed to develop the recommended procedures regarding Mission-sponsored training which would be implemented in conjunction with the training database covered under Recommendation No. 1. The new training database will be a web-based system and facilitate direct electronic entry of mission-sponsored training information.

As a result of USAID management's comments, included in their entirety as Appendix II, we consider a management decision to have been made with regard to each of the three recommendations.

**Scope and
Methodology****Scope**

The Office of Inspector General's Performance Audits Division in Washington, D.C. conducted an audit to determine if USAID implemented measures to train and develop employees to meet its needs. The audit was conducted in accordance with generally accepted government auditing standards. Audit fieldwork was conducted between January and July 2001 in USAID's Washington, D.C. office. The scope of this audit covered training of employees during fiscal years 1999 and 2000.

The audit included an assessment of management controls over the training function—particularly the maintenance of training records for USAID employees. An earlier report and testimonies related to training, prepared by the General Accounting Office, were considered during the audit. In addition, the report and recommendations of a USAID Workforce Planning Task Force were considered. The audit did not assess the quality of individual training courses. In addition, the audit did not include any coverage of USAID's foreign language training program as that will be covered in a future OIG audit.

Methodology

In order to gain an understanding of USAID's training program as it relates to the audit objective, we primarily held numerous discussions with officials in the Learning Support Division of USAID's Office of Human Resources and reviewed an extensive range of material concerning the program. We divided the audit coverage into five sections including:

1. Determining whether USAID has developed a vision and how its staff training and development strategy and policies support achievement of this vision;
2. Determining whether USAID has identified the knowledge, skills, abilities and behaviors employees need to support USAID's vision and through review of training records determining whether it has identified the extent to which USAID employees already possess these competencies;
3. Determining whether USAID has designed training and development activities to meet any identified gaps in these competencies and to meet future staffing needs;

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4. Reviewing training records to determine in part whether USAID has adequately determined the level of resources required to fill training gaps for existing employees as well as the resources needed in future years for new employees; and
 5. Comparing USAID's training requirements and level of training expenditures with other Federal agencies that are similar to USAID.

Management Comments

Jun 21, 2002

MEMORANDUM

TO: IG/A/PA, Director, Dianne L. Rawl

FROM: M/HR/OD, Rose Marie Depp /s/

SUBJECT: Audit of USAID's Staff Training and Development Activities (Report No 9-000-02-xxxP)

This memorandum is in response to the subject draft audit report. In brief, we concur in the three recommendations with the understanding that the timeline for implementation is budget driven, subject to operating expense funds availability in FY 03 or FY 04.

IG Recommendation No.1: We recommend that M/HR/LS implement a database of training records for all USAID employees -- U.S. direct hires, foreign service nationals, and personal service contractors--to include a reconciliation of prior training database records and the various manual records to develop an accurate list of completed training for entry into the new database.

HR Comments Regarding Recommendation No. 1: HR agrees that a comprehensive database of training records for all USAID employees is an important agency goal. In fact, funds to implement this database were requested in the Office's FY 01 Bureau Budget Submission but were not forthcoming in FY 02 due to agency operating expense funds constraints. The request will be repeated in this year's FY 03/FY 04 Bureau Budget Submission and subsequent annual submissions. However, given current funding constraints, it is possible that funds for the new database may not be allocated until FY 04. It is estimated that it will take nine to fifteen months to fully implement the new system following funds allocation.

IG Recommendation No. 2: We recommend that M/HR/LS develop procedures for ensuring information on completed employee training at Mission-sponsored training courses conducted overseas are entered into the new training database system.

HR Comments Regarding Recommendation No. 2: M/HR/LS agrees that it is important to develop the recommended procedures to ensure Mission-sponsored training is entered into the new training database system. Please note that completion of Recommendation No. 2 is contingent on implementation of Recommendation No. 1, subject to the timeline and funds availability inherent in that recommendation.

IG Recommendation No. 3: We recommend that M/HR/LS develop procedures for collecting and summarizing information on Mission-sponsored training courses--including identifying the applicable USAID missions, the types of training purchased, the cost of the courses, and the vendors used-- for dissemination to other missions considering similar training purchases.

HR Comments Regarding Recommendation No. 3 HR agrees that it is important to develop the recommended procedures. As in the case of recommendation no.2, implementation of recommendation no. 3 is tied to the timeline and funds availability inherent in implementation of recommendation no. 1. We anticipate that the new training database (a web-based system) will facilitate direct electronic entry of mission-sponsored training. Although it is possible to institute a new paper-based mission reporting requirement in the absence of a new training database, we believe it is more effective and efficient to implement recommendation no. 3 concurrent with recommendations no. 1 and 2.

We appreciate the opportunity to comment on the draft report.